ANALYSIS OF RATIO LIQUIDITY AND RATIO OF ACTIVITY IN PT. TRANS ENGINEERING SENTOSA MEDAN PERIOD 2012-2016

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Abstrak

Research conducted by the author aims to determine the cause of the current rise ratio, quick ratio ratio, and cash ratio and to determine the causes of the decline in total asset turn over, fixed asset turn over, and receivable turn over at PT. Trans Engineering Sentosa Medan. The type of research is descriptive, with the object of research is the financial side of PT. Trans Engineering Sentosa Medan. Where in the research in analyzing the ratio of liquidity and activity ratio. The results show that the current ratio, quick ratio, and cash ratio tend to experience fluctuation and the increase is derastis due to the increase of the number of current assets, the amount of cash + bank + securities + accounts receivable and the amount of cash + high effect and increased debt smoothly and even occur decrease derastis owned by PT. Trans Engineering Sentosa Medan, while total assets turn over tend to decrease every year due to total assets that continue to increase while income fluctuation and the company less effective or not yet able to manage assets owned to generate revenue, fixed asset turnover decreased every year due to fixed assets continue to increase, companies that have not been able to maximize the capacity of fixed assets and companies less effective in managing its fixed assets that affect the company's finances, receivable turnover has decreased every year due to the increase in the number of receivables that cannot be collected or the number of funds that are less productive owned by PT. Trans Engineering Sentosa Medan.

Keywords: Rasio Likuiditas (Current Ratio, Quick Ratio, Cash Ratio) dan Rasio Aktivitas (Total Asset Turn Over, Fixed Asset Turn Over, Receivable Turn Over)

PRELIMINARY

With the growing world of business in this era of globalization, the competition between similar companies will be more stringent. To maintain the survival of the company in the face of intense competition, it is necessary a handling and management of resources conducted by the management well. For the management, in addition to being required to be able to coordinate the use of resources owned by the company effectively and efficiently, is also required to be able to produce decisions that support the achievement of goals in the future.

A company in carrying out its business management activities has a goal to be achieved, both short-term goals and long-term goals. The short-term goal is how the company can profit from its operations, and how the funds invested by the company can return in a short time. While the long-term goal is how a suitable strategy to maintain the survival of the company. From these goals in getting the optimal profit the company can do much for the welfare of owners, employees and can make new investments. Profits also have an important meaning in maintaining the company's long-term viability, as profitability indicates whether the company has good prospects in the future. Therefore, companies in practice are required to be able to meet the targets set. This means that the profits must be achieved as expected and not the origin of profit.

According Riyanto (2009: 25) the structure of a company's wealth is closely related to the capital structure. Dealing with the problem of a company's ability to meet its financial obligations that must be met immediately. A company that has a paying activity may not be able
to fulfill all its financial obligations that must immediately be met or in other words the company does not necessarily have the ability to pay. New paying ability can be known after we compare the strength of pay on one side with financial obligations that must be met on the other. A company that has the power to pay so great that it is able to fulfill all its financial obligations that must immediately be met, it is said that the company is liquid and vice versa.

According to Kashmir (2012: 128-130) Companies require substantial funds in funding corporate capital expenditures. Funding sources can be obtained from internal retained earnings or external by borrowing in the form of debt or issuing shares in the capital market. Debt can increase the value of the company. The creditors in lending always see the company’s ability to pay all its debts (liquidity ratio). Liquidity ratio or often called working capital ratio is a very important ratio because this ratio is used to measure how liquid the company. Therefore every company is trying to meet its working capital needs in order to improve its liquidity. Then with fulfilled working capital, the company can also maximize its profit. The trick is to compare the existing components in the balance sheet, i.e., total current assets with total passiva current (short term debt).

According to Fahmi (2015: 65) Liquidity Ratio is the ability of a company to meet its short-term obligations in a timely manner. For example paying electricity, telephone, water taps, employee salaries, technician salaries, overtime pay, phone bills and so on. Therefore liquidity ratios are often called short term liquidity. The liquidity ratio consists of Current Ratio, Quick Ratio, Net Working Capital Ratio, and Cash Flow Liquidity Ratio.

According to Herry (2015: 178-179) "Current Ratio is the ratio used to measure a company's ability to pay short-term liabilities or debts that are due sooner upon billing as a whole". Current Ratio can also be said as a form to measure the security level of a company. This ratio is a company treasure that can be made money in a short time. Current Ratio components include cash, bank, securities, accounts receivable, inventories, prepaid expenses, accrued income and loans to be provided.

According to Jumingan (2016: 126) "Quick ratio is a ratio that shows the company's ability to meet or pay obligations or current debt (short-term debt) with current assets without taking into account the value of the stock". This means that the value of the stock we ignore, in a way deducted from the total value of current assets. This is done because the preparation is considered to require a relatively longer time to be cashed, if the company requires quick funds to pay its obligations compared with other current assets. This fast ratio also shows the most liquid assets currently able to cover current debt. According to Kashmir (2012: 138-139) Cash Ratio is the ratio used to measure how much money is really ready to be used to pay its debts. The availability of cash can be shown from the availability of cash funds such as current or savings accounts in banks (which can be withdrawn at any time). It can be said that this ratio shows the real ability for the company to pay its short-term debts.

According to Herry (2015: 209) Activity Ratio in the financial statements is very important for a company. With the company's activity ratio is able to determine the level of effectiveness and efficiency of the use of resources (Asset) company. The faster the company's resources rotate, the more effective and efficient the use of those resources and the greater the profits the company makes. The activity ratio is useful for seeing how effectively a company uses resources as defined in a company. This ratio involves the comparison between net sales with various investments in assets. This activity ratio assumes that a reasonable comparison must exist between the sale and various assets such as inventory, accounts receivable, fixed assets, and total assets.

According to Harahap (2016: 308) "Activity ratio is a ratio that describes the activities undertaken the company runs its operations both in the activities of sales, purchases and other activities. The activity ratios consist of Inventory Turn Over, Receivable Turn Over, Fixed Asset
Turn Over, Total Assets Turn Over (Total Asset Turnover), Billing Receivable Period. According Syamsuddin (2011: 62) Ratio Total Asset Turn Over (total asset turnover) is a financial ratio that presents the company's ability to create sales by using all assets owned. This ratio also shows the effectiveness of the company in managing the rotation of components or elements of the asset itself. The high turnover of total assets due to increased sales and assets decreased and vice versa if the total asset turnover is low due to decreased sales and increased assets.

According to Sartono (2014: 120) "Fixed Asset Turn Over ratio is the ratio between sales and total fixed assets showing how a company's sales are associated with the use of its fixed assets such as buildings, vehicles, machinery and office equipment." According to Sudana (2011: 22) Ratio Receivable Turnover (receivable turnover) is the ratio used to measure the turnover of receivables in generating sales / income. Due to the effectiveness of the management of receivables made by the company can be seen from the size of the value of Receivable Turnover (total turnover of assets). In this study researchers conducted pre-research at the company PT. Trans Engineering Sentosa Medan is a company engaged in technical services and transportation. The services managed for technical is the installation of BTS & transmission, electricity, and for transportation is courier, logistics and warehouse. All of it is managed by experienced people, professional and have high human resources.

THEORETICAL BASIS

1. Financial Ratio Analysis

The ratio describes a mathematical relationship between an amount to another sum. The use of analytical tools in the form of ratios can be explained good and bad assessment of the financial position of the company, especially when the ratio is compared to the comparison ratio that is used as the standard.

According to Harahap (2016: 297) "Financial Ratio Analysis is the number obtained from the comparison of one post of financial statements with other posts that have relevant and significant relationship". For example between debt and capital, between cash and total assets, between cost of production with total sales and so on. This technique is very commonly used in financial analysis. Financial ratios are very important in analyzing the company's financial condition. Menurut Kasmir (2012: 104)

"Financial Ratio Analysis is an activity comparing the figures that exist in the financial statements by dividing one number with another number". Comparison can be done between one component with components in one financial statement or between components that exist between financial statements. Then the comparable numbers can be numbers in a period or periods. The results of these financial ratios are used to assess the performance of management within a period whether reaching the target as predetermined. Then it can also be assessed the ability of management in empowering the company resources effectively.

According to Munawir (2014: 106) "The analysis of financial ratios is" future oriented ", meaning that with the analysis of financial ratios can be used as a tool to forecast the financial condition and the results of future operations. With figures of historical ratios or, if possible, the industry ratio (accompanied by other data) can be used as a basis for the preparation of projected financial statements or "pro forma financial statements" which is one form of corporate financial planning.

From the above statement can be concluded that the financial ratio analysis is part of the analysis of financial statements. Financial ratio analysis is done in order to obtain a picture of
financial development and financial position of a company by using the means of financial ratios to know the results that have been achieved by the company.

According to Fahmi (2015: 50) The analysis of financial ratios starts with the basic financial statements of the balance sheet, income statement, and cash flow statement. The calculation of financial ratios will be more clear if linked, among others, by using the historical pattern of the company, which is calculated over a number of years to determine whether the company is improving or deteriorating, or making comparisons with other companies.

Analysis of financial statements conducted for several periods is to analyze between the items in a single report. Or it can be done between one report and another. This is done to be more appropriate in assessing the progress or performance of management from period to period next.

There are several goals for various parties with the existence of financial statement analysis. According to Kashmir (2012: 68) that the purpose and benefits of financial statement analysis are:

1. To know the financial position of the company in a certain period, either assets, liabilities, capital, or business results that have been achieved for several periods.
2. To know the weaknesses of any shortcomings of the company.
3. To know the strengths possessed.
4. To know what improvement steps need to be done in the future related to the company's current financial position.
5. To assess the performance of future management whether it is necessary to refresh or not because it is considered successful or failed.
6. Can also be used as a comparison with similar companies about the results they achieve.

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5. To conduct a management performance assessment in the future whether it is necessary or not because the spread is considered successful or failed.
6. Can also be used as a comparison with similar companies about the results they achieve.

2. Liquidity Ratio

In general the first concern of a financial analysis is the company's liquidity. Whether the company has the ability or not to meet its short-term obligations that are due soon. Because not a few companies are often once experiencing financial difficulties so as not to be able to fund its operational activities as well as in debt repayment. Companies that do not have enough funds to pay off their obligations are almost certain that the company will not be able to pay much less pay off all its debts to creditors in due time at maturity. A liquidity analysis requires the use of the cash budget, but by linking cash and other current assets with current liabilities ratio analysis provides a quick and easy to use liquidity measure.

According Syahrial (2013: 37) "Liquidity ratio is the ability of companies to pay short-term liabilities (current debt) at maturity by using current assets". From the above information can be seen that the basic calculation of the ratio obtained from current assets compared with
current liabilities. The higher this ratio is the better it means the current assets can cover its current liabilities called liquid. However, too high this ratio is also not good, because it can not manage the current assets effectively.

According to Sartono (2014: 116) The ratio of liquidity is a ratio that shows the ability to pay short-term financial obligations on time and the liquidity of the company is shown by the size of current assets i.e assets that are easy to convert into cash that includes cash, securities, accounts receivable and inventory. According to Herry (2015: 175) The ratio of liquidity is a ratio that indicates a company's ability to meet its obligations or pay its short-term debt. The inability of the company to pay its short-term liabilities can be caused by several factors. First, the company can not afford the short-term debts because the company has no funds at all. Secondly, it could be that the company does not have financial difficulties, only when a debt is due soon, the company still needs to wait to disburse some other assets into cash, such as collecting accounts receivable, selling merchandise inventory, or even selling some securities short term.

From some opinions above can be concluded that the ratio of liquidity is a ratio that shows the relationship between cash and current assets of other companies with smooth liabilities. If the company has the ability to pay its short-term liabilities at maturity, then the company is said to be a liquid company. Similarly, if the company does not have the ability to pay off its short-term liabilities at maturity, then the company is said to be a liquid company. A company capable of fulfilling its short-term liabilities means that the company has been able to optimize the company's cash usage that can actually be used for business and investment expansion, both short-term, medium-term and long-term investments.

Thus, from the measurement of this ratio it is clear that the conditions of the company during this period are able or not to meet its short-term debt that will soon mature. If not able then it will be said the company is not illiquid. And if able then the company will be said to be liquid. However, if there is abundant cash surplus and unused in operational activities. So it can also be said not good because the management is considered not able to optimize the use of cash. This is in accordance with the opinions of Brigham and Houston (2010: 135) "which says that if current liabilities rise faster than current assets, the current ratio will fall, and this is a sign of a problem and if a ratio is below the industry average, should think about the cause of this difference can happen ".

The ratio of liquidity is also often said working capital ratio. This ratio is calculated by comparing the total current assets with total current liabilities. Measurement of this ratio can also be done for several periods so that it can be seen the development of condition of corporate liquidity level from time to time. In practice liquidity ratios have several goals to be achieved to attract and provide a sense of security and trust creditors to still want to invest and provide capital loans for the company. According to Kashmir (2012: 132) suggests several goals and benefits that can be picked from the results of liquidity ratios:

1. To measure the ability of a company to pay its obligations or debts that are due at the time of collection. That is, the ability to pay obligations that have been paid time according to a predetermined time limit (certain dates and months).
2. To measure a company's ability to pay short-term liabilities with current assets as a whole. This means the number of obligations under the age of one year or the same denagan one year compared with total current assets
3. To measure the ability of a company to pay short-term liabilities with current assets without taking into account inventories or receivables. In this case current assets minus inventories and debts that are considered lower liquidity.
4. To measure and compare the amount of existing inventory with the company's working capital.
5. To measure how much cash is available to pay the debt.
6. As a forward planning tool, especially related to cash and debt planning.
7. To view the condition and position of the company's liquidity over time by comparing it for several periods.

3. **Activity Ratio**

In measuring the ratio of corporate activity can dilihata of how much activity the company in utilizing the source of funds, the more effective in utilizing the funds the faster the rotation of funds. One of the goals of financial managers is to determine how much investment efficiency in various assets. In other words, the ratio of activity shows how resources have been optimally utilized, then by comparing the ratio of activities with industry standards, it can be known the level of efficiency of the company in the industry.

According to Hani (2015: 122) Activity ratio is a ratio that is intended to measure to how much effectiveness of the company in using the source of funds. This ratio explains how management manages all of its assets to drive productivity and boost profitability. All assets owned by the company should be utilized optimally, because if it does not mean there is idle capacity and impact on high loading.

According Syahrial (2013: 38) "Activity ratio is a ratio that describes the ability of companies utilize assets owned in earnings through sales". Given the ratio of activity does not merely measure the high ratio of the calculated to know whether or not the company's finance. This is understandable because the ratio of activities to measure the performance of management in running the company to achieve the target or target that has been determined. Menurut Fahmi (2015: 77).

"The ratio of activity is the ratio that describes the extent to which a company uses its resources in order to support the activities of the company, where the use of this activity is done maximally with the intention of obtaining maximum results". This ratio is also referred to as the asset management ratio by practitioners and business analysis. According to Kashmir (2012: 114) "The ratio of activity is the ratio used to measure the efficiency level of the company's resource utilization (sales, inventories, accounts receivable and others) or ratio to assess the ability of the company in assessing its daily activities". From the measurement of this ratio will be seen whether the company more efficient or otherwise in managing assets owned.

From some opinions above can be concluded that the ratio of activity is a ratio that measures the extent to which the level of effectiveness of a company in using assets owned by the company. This ratio is also used to assess the company's ability to perform daily activities. By measuring with this ratio it will be seen whether the company is more efficient and effective in managing assets owned or maybe even vice versa. Thus, from the measurement result of this ratio it is clear that the condition of the company this period is able or not to reach the target that has been determined. Then look for improvement effort needed. However, if able to reach the target that has been determined, should be maintained or enhanced for the next period. The use of activity ratio is by comparing the sales level with the investment in the asset level for a period. It is expected that the desired balance between sales with assets such as inventory, accounts receivable and other fixed assets. Management's ability to use and optimize its assets is the main objective of this ratio. In practice, the ratio of activities used by the company has several goals to be achieved. According to Kashmir (2012: 173-174) suggests several goals that the company wants to achieve from the use of activity ratio, among others:

1. To measure how long the collection of accounts receivable during a period or how many times the funds invested in these receivables rotate in one period. 
2. To calculate the average days of receivable, where the calculation shows the number of days (how many days) the receivables are on average uncollectible.
3. To calculate how many days the average stock is stored in the warehouse.
4. To measure how many times the funds invested in working capital spin in one period or how much sales can be achieved by each working capital turn (working capital turnover).

5. To measure how many times the funds invested in fixed assets rotate in one period.

6. To measure the use of all company assets compared to sales.

A. Thinking Framework

According Sugiyono (2016: 89) Kerangaka (thinking) is a synthesis of relationships between variables compiled from various theories that have been described. Based on theories that have been described, then analyzed critically and systematically, thus generating a synthesis of the relationship between variables studied. According to Kashmir (2012: 104) states that the financial ratio is an activity comparing the figures contained in the financial statements by dividing one number with another number. The income statement is a report showing the amount of income or income earned and expenses incurred and lab rygi in one period. Balance Sheet is a summary of the company's financial position on a certain date indicating total assets with total liabilities plus owner's equity. It can be concluded that the balance sheet is a summary of financial statements showing the assets or wealth of the company or the state of the financial position.

Liquidity ratio is the ratio used to measure how much a company's ability to meet its financial obligations that are soon due. The amount of means of payment owned by a company at any given moment is a paying power. While the ratio of activity is the ratio used to measure the effectiveness of companies in using assets owned. This is in accordance with previous researchers who discussed the analysis of financial performance. This research was conducted by Dadue year (2017) under the title of Financial Performance Analysis of Cement Industry Listed on Indonesian Stock Exchange which stated that based on liquidity ratio every year there is an increase or decrease in fluctuation caused by increase or decrease in items in financial report, and the company is said to be good. From the solvency ratio indicates that the company is considered to be well suited in paying off the long-term debt using assets and capital owned by the company, where the ratio value already exists below the average value of the cement industry because the smaller the better. Judging from the activity ratio shows that the company is considered good enough because the value of this ratio is still in the average standard of the cement industry, it indicates that the company's management must maximize and improve the performance in the collection of receivables, corporate management and assets owned by the company. Based on profitability ratio of the company is also said to be good enough in obtaining net profit. In analyzing the company's financial statements it is necessary to measure by using ratio analysis. The study analyzed liquidity ratio and activity ratio with current ratio, quick ratio and cash ratio while activity ratio was measured by total asset turnover, fixed asset turnover and receivable turnover.

RESEARCH METHODS

A. Research Approach

In this research approach, the researcher uses descriptive approach that is conducting data collection and data analysis with the aim to create description, systematic, actual and accurate description of facts, and the relationship between the phenomena investigated. This is in accordance with the opinion of Ikhsan et al (2014: 84) which states studies that examine the status of human groups, objects, conditions, systems of thought or a class of events in the present. Descriptive research in this study was conducted to determine the financial ratios assessed from PT. Trans Engineering Sentosa Medan and measured by the ratio of liquidity and activity ratio.
RESEARCH RESULT AND DISCUSSION

1. Financial Statement of PT. Trans Engineering Sentosa Medan
In the financial statements of PT. Trans Engineering Sentosa Medan for 2012 until 2016 can be seen in the table below:

<table>
<thead>
<tr>
<th>Year</th>
<th>Total Assets</th>
<th>Total Debt</th>
<th>Equity</th>
</tr>
</thead>
<tbody>
<tr>
<td>2012</td>
<td>Rp 1.407.037.171,07</td>
<td>Rp 119.651.133</td>
<td>Rp 125.000.000</td>
</tr>
<tr>
<td>2013</td>
<td>Rp 2.588.240.737,76</td>
<td>Rp 289.142.271</td>
<td>Rp 125.000.000</td>
</tr>
<tr>
<td>2014</td>
<td>Rp 3.520.857.429,58</td>
<td>Rp 252.627.817</td>
<td>Rp 125.000.000</td>
</tr>
<tr>
<td>2015</td>
<td>Rp 4.727.870.842,43</td>
<td>Rp 368.796.820</td>
<td>Rp 125.000.000</td>
</tr>
<tr>
<td>2016</td>
<td>Rp 5.154.751.483,26</td>
<td>Rp 60.657.891</td>
<td>Rp 125.000.000</td>
</tr>
</tbody>
</table>


2. Calculation of Financial Ratios
The liquidity ratio is measured by using Current Ratio (Quick ratio), Quick Ratio and Cash Ratio as follows:

Current Ratio of PT. Trans Engineering Sentosa Medan
In calculating the current ratio, done by looking at the amount of current assets. Current assets used are all cash, bank, inventory, prepaid expenses and accounts receivable. The amount of the current asset will be divided by the total current liabilities. Current assets and current liabilities always increase every year. By doing so it will affect the company's ability to pay its short-term debt. According to Kashmir (2012: 135) measuring instrument used in measuring Current Ratio

<table>
<thead>
<tr>
<th>No</th>
<th>Year</th>
<th>Current Assets</th>
<th>Current Liabilities</th>
<th>Current Ratio</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>2012</td>
<td>Rp 735.578.266,11</td>
<td>Rp 119.651.133</td>
<td>6.15 kali</td>
</tr>
<tr>
<td>2</td>
<td>2013</td>
<td>Rp 2.015.974.145,07</td>
<td>Rp 289.145.271</td>
<td>6.97 kali</td>
</tr>
<tr>
<td>3</td>
<td>2014</td>
<td>Rp 2.843.823.930,38</td>
<td>Rp 252.627.817</td>
<td>11.26 kali</td>
</tr>
<tr>
<td>4</td>
<td>2015</td>
<td>Rp 3.283.898.141,43</td>
<td>Rp 368.796.820</td>
<td>8.90 kali</td>
</tr>
<tr>
<td>5</td>
<td>2016</td>
<td>Rp 3.008.876.174,70</td>
<td>Rp 60.657.891</td>
<td>49.60 kali</td>
</tr>
<tr>
<td>6</td>
<td>Total</td>
<td>Rp11.888.150.657,69</td>
<td>Rp1.090.878.932</td>
<td>82.88 kali</td>
</tr>
<tr>
<td>7</td>
<td>Average</td>
<td>Rp 2.377.630.131,54</td>
<td>Rp 218.175.786,40</td>
<td>16,58 kali</td>
</tr>
</tbody>
</table>

Source: PT.Trans Engineering Sentosa Medan (2018)

A. Discussion

1. Current Ratio at PT. Trans Engineering Sentosa Medan
For overall current ratios in 2012 to 2016 fluctuate and tend to increase. This is because current assets always increase and there is only one decrease in the year 2016 but it does not affect the current value of the current ratio is also increasing because of the decrease of the current debt is very derastis in 2016. According Riyanto (2009: 28) if in measuring the level of liquidity by using current ratio as a measuring tool, then the level of liquidity or the current ratio of a company can be enhanced by the way as follows:

a. With certain current debts, it is endeavored to add to current assets.
b. With certain current assets, efforts are made to reduce the amount of current debt.
c. By reducing the amount of debt smoothly together with reduced current asset
According to Herry (2015: 179) "states that firms with small current ratios indicate that the company has little working capital (current assets) to pay its short-term liabilities". Conversely, if a company that has a high current ratio is not necessarily the company is said to be good. Because high ratios can occur due to ineffective cash and inventory management. Factors affecting current ratio of PT. Trans Engineering Sentosa Medan is the amount of current assets owned by the company but the company’s current debt is small. But the high ability to pay the company is not followed by the income that actually decreased.

2. **Quick Ratio at PT. Trans Engineering Sentosa Medan**
Rapid ratios for 2012 through 2016 experience fluctuations that tend to increase and indicate the company is able to pay its short-term debt. But the amount of ability to pay the company is not accompanied by the amount of revenue earned by the company. It could be due to the high cash owned by the company but not used as much as possible. According to Munawir (2014: 74) states that if the current ratio is high but the low fast ratio indicates a very large investment in inventory. In accordance with Munawir's opinion above that when a high current ratio is always followed by a rapid ratio that also increased. This shows that there is no very large investment in inventory. And it may prove that the company is in good condition or liquid.

3. **Cash Ratio at PT. Trans Engineering Sentosa Medan**
Viewed from the cash ratio of PT. Trans Engineering Sentosa Medan in 2012 to 2016 that continues to experience fluctuations, the decline occurred in 2015 but a sharp increase in 2016. Peningkatkan may be influenced by the high cash + bank debt but smoothly small. According to Kashmir (2012: 140) said that the condition of the cash ratio is too high is also not good because there are funds that are unemployed or not or not yet used optimally. Factors that may affect the cash ratio of PT. Trans Engineering Sentosa Medan is high with the number of cash and banks available or with the decrease of current debt owed by the company. And the optimal use of cash that is done by the user for high cash ratio (liquid) followed by the high profit (profitability) of the company.

4. **Total Asset Turn Over at PT. Trans Engineering Sentosa Medan**
Total asset turnover for 2012 to 2016 decreases annually. This is because the total assets are always increasing every year but the income fluctuates and even decreased in 2016 which is so dramatic that resulted in no turnover of total assets even if only 1 time in that year. And the increase in total assets is largely due to the increasing amount of current assets. According Kasmir (2012: 186) states that the decline in total turnover of assets that occur in a company indicates that the company has not been able to maximize the assets owned. And it is expected the company to increase again its income or reduce some of the less productive assets. According Syamsuddin (2012: 62) states that the higher turnover ratio total assets means the more efficient use of overall assets in generating revenue. In other words, the same amount of assets can increase the volume of sales / revenue if the total turnover of the assets is increased or enlarged. Factors that affect the total asset turnover of certain "net sales" and "operating assets", the greater the number of sales during a certain period leads to higher turnover. Similarly, a certain sales area with less operating assets will result in higher turnover.

5. **Fixed Asset Turn Over at PT. Trans Engineering Sentosa Medan**
Turnover of fixed assets for 2012 to 2016 decreases annually. This is due to an increase in the amount of fixed assets that can not be used properly and less effective and efficient use of fixed assets and impact on corporate finance and increase in fixed assets are not followed by increased revenue. According to Harahap (2016: 309) states that the higher this ratio the better means the ability of fixed assets in creating high income. According to Herry (2015: 219) a low turnover of fixed assets means the company has an excess of fixed asset capacity, where existing fixed assets have not been fully utilized to generate sales. Factors affecting fixed assets of PT. Trans Engineering Sentosa Medan occurs because the company is not able to use the capacity of its fixed assets as possible so as to affect the amount of rotation of its fixed assets.
6. Receivable Turn Over at PT. Trans Engineering Sentosa Medan

Turnover of receivables at PT. Trans Engineering Sentosa Medan for 2012 to 2016 has decreased every year. This happens because of the increasing amount of non-billable receivables, or the number of unproductive funds owned by PT. Trans Engineering Sentosa Medan. In the opinion of Sudana (2011: 22) "which states that the higher turnover of receivables means the more effective and efficient management of receivables made by the company, but if the turnover of smaller receivables means the management of accounts receivable by the company less effective and efficient. According Riyanto (2010: 85) the greater the amount of receivable turnover means the greater the risk, but at the same time will also enlarge profitabilitasny. Factorial-factors that affect receivables turnaround PT. Trans Engineering Sentosa Medan occurs due to the increase in the amount of income is not in accordance with the increase in the number of receivables and the decrease in the amount of income and the increase in the amount of receivables. With the increase of accounts receivable the company means the increase in the amount of funds that are still embedded in the receivables, this is not good for the company, because the funds can not be managed to increase the growth of corporate income.

CONCLUSIONS AND RECOMMENDATIONS

A. Conclusions

From the results of research and data analysis in the form of financial ratios including liquidity ratio and activity ratio as measured by Current Ratio, Quick Ratio, and Cash Ratio, Total Asset Turn Over (Total Asset Turnover), Fixed Assets Turn Over (Turnover Assets) and Receivable Turnover (undertaking turnover) conducted with research from 2012 until 2016, it can be concluded as follows:

1. For Current Ratio (Current Ratio) at PT. Trans Engineering Sentosa Medan tends to increase. The increase in Current Ratio shows that the company has a good performance because the company is still able to pay its current liabilities with current assets owned and it can be said that the company is in a liquid state.

2. For Quick Ratio (Ratio Fast) at PT. Trans Engineering Sentosa Medan tends to increase. Quick Ratio at PT. Trans Engineering Sentosa Medan tends to increase. The increase of Quick Ratio shows the company has a good performance because the company is still able to pay its current liabilities with the amount of cash + bank + securities + receivables owned and can be said company in a liquid state.

3. For Cash Ratio (Cash Ratio) at PT. Trans Engineering Sentosa Medan tends to increase. Cash Ratio (Cash Ratio) at PT. Trans Engineering Sentosa Medan tends to increase. The increase of Quick Ratio shows the company has a good performance because the company is still able to pay its current liabilities with the amount of cash + bank owned and can be said company in a liquid state.

4. Total Asset Turn Over (Total Turnover Assets) at PT. Trans Engineering Sentosa Medan tends to decline, this is because the total assets that continue to increase while income fluctuates, and companies that are less effective in the management of all assets or companies have not been able to maximize assets owned to generate revenue.

5. Fixed Asset Turn Over (rotation of fixed assets) at PT. Trans Engineering Sentosa Medan tends to decrease, this is due to fixed assets that continue to increase every year or the company has not been able to maximize the capacity of fixed assets and less effective companies in the management of fixed assets that impact on corporate finance.

6. Receivable Turnover (receivable turnover) at PT. Trans Engineering Sentosa Medan tends to decrease, this happens due to the increasing amount of receivables that can not be collected, or the number of unproductive funds owned by PT. Trans Engineering Sentosa Medan and show that less effective and efficient management of receivables made by the company.
B. **Recommendation**

Recommendation that can be submitted from this research are as follows:

1. For Current Ratio, the company should maintain a Current Ratio that keeps increasing every year so that the company can pay short-term or short-term obligations.
2. For Quick Ratio, the company should maintain a Quick Ratio that continues to increase annually so that the company can pay short-term or soon-to-be-short-term liabilities.
3. For Cash Ratio (Cash Ratio), the company should maintain a Cash Ratio (Ratio Cash) which keeps increasing every year so that the company can pay short-term or short-term obligations.
4. Management should be more effective and efficient in overseeing the total level of assets and income in order to increase comparable and the management should be able to maximize assets owned to generate income.
5. The company should be able to maximize the use of fixed assets owned and can manage it well in order to be able to generate income.
6. The management of the accounts receivable company should be able to collect the company’s receivables and can use the amount of funds to be able to generate or increase the company's revenue.

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